

§ 1470.6 Proof of production.

(a) Apple operations selected for spot-checks by CCC must, in accordance with instructions issued by the Deputy Administrator, provide adequate proof of the apples produced during the 1998 and/or 1999 crop year to verify the higher year of production. The documentary evidence of apple production claimed for payment shall be reported to CCC together with any supporting documentation under paragraph (b) of this section. The pounds of 1998 or 1999 crop year production must be documented using actual records developed at the time of production.

(b) All persons involved in an apple operation producing apples during the 1998 or 1999 crop year shall provide any available supporting documents to assist the county FSA office in verifying the operation's apple production indicated on Form CCC-891. Examples of supporting documentation include, but are not limited to: picking, packout, and payroll records, RMA records, sales documents, copies of receipts, ledgers of income, or any other documents available to confirm the production and production history of the apple operation. In the event that supporting documentation is not presented to the county FSA office requesting the information, the apple operation will be determined ineligible for benefits.

§ 1470.7 Availability of funds.

The total available program funds shall be \$99.78 million as provided by Section 811 of Public Law 106-387 and amended by Section 1403 of Public Law 106-554.

§ 1470.8 Applicant payment quantity.

(a) The applicant's payment quantity of apples will be determined by the CCC, based on the higher production of 1998 or 1999 crop of apples that was produced by each operation, as selected by the apple operation.

(b) The maximum quantity of the 1998 or 1999 crop of apples for which producers are eligible for a payment for an operation under this subpart shall be 1,600,000 pounds.

§ 1470.9 Payment rate and apple operation payment.

(a) Payments under this subpart may be made to apple operations only up to 1,600,000 pounds of apples produced in the United States during the higher production year of 1998 or 1999. A payment rate will be determined after the conclusion of the application period, and shall be calculated by:

(1) Totaling the higher production of the eligible quantity (not to exceed 1,600,000 pounds) of apples produced from the 1998 or 1999 crop year from all approved applications; and

(2) Dividing the amount available for the Apple Market Loss Assistance Payment program by the total pounds of eligible production submitted and approved for payment (the quantity determined under paragraph (a)(1) of this section).

(b) Each apple operation payment will be calculated by multiplying the payment rate determined in paragraph (a) of this section by the apple operation's eligible production.

(c) In the event that approval of all eligible applications would result in expenditures in excess of the amount available, CCC shall reduce the payment rate in such manner as CCC, in its sole discretion, finds fair and reasonable.

§ 1470.10 Offsets.

(a) Any payment or portion thereof due any person under this part shall be allowed without regard to questions of title under State law, and without regard to any claim or lien against an operation, an operation's apple production, or proceeds thereof, in favor of the producer or any other creditors, including agencies of the U.S. Government.

(b) Payments received by an apple operation under this part are not subject to administrative offsets or withholdings, including administrative offset under chapter 37 of title 31, United States Code, as provided by Public Law 106-387.

(c) The regulations governing offsets and withholdings found at 7 CFR Part 1403 shall not be applicable to this part.